
HOUSE BILL No. 1301

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1-5.

Synopsis: Inheritance tax phase out. Phases out the inheritance tax over a five year period beginning July 1, 2003, by giving an increasing credit against the inheritance tax due. Provides that the inheritance tax imposed with respect to a person whose death occurs after June 30, 2007 is \$0.

Effective: July 1, 2003.

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January 13, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1301

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-4.1-5-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) For purposes of
3 this section, the net taxable value of property interests transferred by a
4 decedent to a particular transferee equals the remainder of:
5 (1) the total fair market value of the property interests transferred
6 by the decedent to the transferee under a taxable transfer or
7 transfers; minus
8 (2) the total amount of exemptions and deductions provided under
9 sections 9.1 through 15 of IC 6-4.1-3 with respect to the property
10 interests so transferred.
11 (b) **Subject to the credit allowed under section 18 of this chapter,**
12 the inheritance tax imposed on a decedent's transfer of property
13 interests to a particular Class A transferee is prescribed in the following
14 table:
15 NET TAXABLE VALUE OF
16 PROPERTY INTERESTS
17 TRANSFERRED INHERITANCE TAX



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1	\$25,000 or less	1% of net taxable value
2	over \$25,000 but not	
3	over \$50,000	\$250, plus 2% of net
4		taxable value over \$25,000
5	over \$50,000 but not	
6	over \$200,000	\$750, plus 3% of net taxable
7		value over \$50,000
8	over \$200,000 but not	
9	over \$300,000	\$5,250, plus 4% of net
10		taxable value over \$200,000
11	over \$300,000 but not	
12	over \$500,000	\$9,250, plus 5% of net
13		taxable value over \$300,000
14	over \$500,000 but not	
15	over \$700,000	\$19,250, plus 6% of net
16		taxable value over \$500,000
17	over \$700,000 but not	
18	over \$1,000,000	\$31,250, plus 7% of net
19		taxable value over \$700,000
20	over \$1,000,000 but not	
21	over \$1,500,000	\$52,250, plus 8% of net
22		taxable value over \$1,000,000
23	over \$1,500,000	\$92,250, plus 10% of net
24		taxable value over \$1,500,000

(c) **Subject to the credit allowed under section 18 of this chapter,**
the inheritance tax imposed on a decedent's transfer of property
interests to a particular Class B transferee is prescribed in the following
table:

29	NET TAXABLE VALUE OF	
30	PROPERTY INTERESTS	
31	TRANSFERRED	INHERITANCE TAX
32	\$100,000 or less	7% of net taxable value
33	over \$100,000 but not	
34	over \$500,000	\$7,000, plus 10% of net
35		taxable value over \$100,000
36	over \$500,000 but not	
37	over \$1,000,000	\$47,000, plus 12% of net
38		taxable value over \$500,000
39	over \$1,000,000	\$107,000, plus 15% of net
40		taxable value over \$1,000,000

(d) **Subject to the credit allowed under section 18 of this chapter,**
the inheritance tax imposed on a decedent's transfer of property



interests to a particular Class C transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		10% of net taxable value
over \$100,000 but not over \$1,000,000		\$10,000, plus 15% of net taxable value over \$100,000
over \$1,000,000		\$145,000, plus 20% of net taxable value over \$1,000,000

(e) This subsection applies only to person who dies after June 30, 2007. Notwithstanding subsections (b), (c), and (d), the inheritance tax imposed on the person's transfer of property interests is zero dollars (\$0).

SECTION 2. IC 6-4.1-5-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18. (a) A credit is allowed against the inheritance tax imposed under this article. The amount of the credit equals the amount of the inheritance tax determined under section 1 of this chapter multiplied by the percentage prescribed in the following table:

DATE OF PERSON'S DEATH	PERCENTAGE OF CREDIT
After June 30, 2003, and before July 1, 2004	20%
After June 30, 2004, and before July 1, 2005	40%
After June 30, 2005, and before July 1, 2006	60%
After June 30, 2006, and before July 1, 2007	80%

(b) A person taking a credit under this section must take the credit on a return required under IC 6-4.1-4-1.

